10-00 A.M.

BUDGET ESTIMATES FOR 1966-67
Presentation.

Mr. SPEAKER.—The Hon'ble the Finance Minister will now present the budget estimates for the year 1966-67. Before doing that, I will request him to wait for two minutes so that copies of the Budget Speech may be distributed to the members. (After two minutes' pause)

Sri RAMAKRISHNA HEGDE (Minister for Finance).—Mr. Speaker, I rise to present the Budget Estimates for 1966-67.

ಶ್ರೀ ಎಸ್. ಗೋಪಾಲ ಗೌಡ (ತೀರ್ಥಹಳ್ಳಿ).—ಸಾರ್ಯಮಿ, ಬಜೆಟ್ ಕನ್ನಡದಲ್ಲಿಯೂ ನಹ ಆಚ್ಯಾಗಿದೆ. ಆದ್ದರಿಂದ ಮಾನ್ಯ ಮುಂತ್ರಿಗಳು ಕನ್ನಡದಲ್ಲಿಯೇ ಓದಬೇಕೆಂದು ಕೇಳಿಕೊಳ್ಳುತ್ತೇನೆ.

Mr. SPEAKER.—I have heard it; this is not the first time that the member is making this request.

Sri RAMAKRISHNA HEGDE.—The year which is drawing to a close has been a year of severe strains and stresses for the entire country. We have had to face a very difficult economic situation aggravated by the hostilities with Pakistan which have happily now come to an end. The widespread failure of the monsoon has resulted in an acute shortage of food and scarcity conditions over large parts of the country. In the midst of these troubles, the country had to face the misfortune of losing a beloved Prime Minister, who steered it through its worst troubles with matchless wisdom and strength. His crowning achievement was the Tashkent Agreement which has opened up prospects of India and Pakistan living in peace and amity and concentrating on the welfare of their people. A grateful nation will always cherish the memory of Shri Lal Bahadur Shastri for his enduring services to the country. May I also add a word of tribute to our Jawans (many from this State) who have successfully defended our frontiers and laid down their lives in the defence of the country during the hostilities with Pakistan?

2. Two changes have been made in the presentation of the Budget. The material dealing with the working of the various departments, with special reference to the progress of development, which used to appear as Part II of the speech without being read in the House is being issued as a separate Review. I have also put together in the form of an Annexure to the Budget speech a considerable portion of the statistics which used to appear as Part I of the speech, so as to make it easier to read the speech as running matter. I hope the House will welcome these changes.

Review of Economic Conditions.

3. Following the usual practice, I shall give a brief review of the economic condition in the State.

4. Although the seasonal conditions during the crop year ending July, 1965 were less favourable than usual, agricultural production during the financial year 1964-65 showed an improvement over the

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previous year. But the failure of the monsoons during the crop year 1965-66 imposed a severe strain on the economy of the State and its finances.

5. Agricultural production during 1964-65 recorded an improvement over the level of the preceding year. According to the final crop estimates, the index of agricultural production, which had dropped to 125.7 (Base: 1956-57=100) in 1963-64 from 127.9 in 1962-63, is estimated to rise by 9.4 points in 1964-65 to 135.1. The index of foodgrains production rose from 129.9 in 1963-64 to 141.0 in 1964-65.

6. According to the final forecast, the production of cereals in 1964-65 is expected to amount to 41.68 lakh tons against 39.21 lakh tons in the previous year, pulses 3.17 lakh tons against 3.19 lakh tons, oil seeds 8.01 lakh tons against 5.81 lakh tons, sugarcane 61.36 lakh tons against 65.29 lakh tons and cotton 4.15 lakh bales (of 392 lbs.) against 4.04 lakh bales in the preceding year.

7. Industrial production also recorded an improvement during 1964-65. As compared with the previous year, there was a significant rise in the production of Sulphuric Acid, Copper Sulphate, Super Phosphate, Sugar, Paper, and Sandalwood Oil, while the production of Pig Iron, crude and semi-finished and finished Steel and Ammonium Sulphate registered a small decline. The total production of Cement remained more or less at the level of the previous year. Cloth production during 1964 showed a substantial increase over 1963. There was also an increase in the generation of electricity. Fuller details of the production figures are given in the Annexure to my speech. During the year the New Government Electric Factory started the production of transformers and switch boards, while the plant capacity of the Government Soap Factory was licenced to be raised from 1,500 tons to 6,000 tons and that of the Government Porcelain Factory production of insulators up to 5,000 tons. A notable event likely to foster industrial development in the State was the commissioning of the first generator of the Sharavathi Valley Hydro-Electric Project in January 1965 and of the second generator in June 1965.

8. The value of production in Government Industrial Concerns also showed a general increase during 1964-65 as compared with the previous year. The value of production in the Sandalwood Oil Factory rose from Rs. 110.65 lakhs to Rs. 133.74 lakhs, that in the Government Soap Factory from Rs. 110.87 lakhs to 118.14 Rs. lakhs, that in the Government Electric Factory from Rs. 80.40 lakhs to Rs. 99-84 lakhs, that in the Porcelain Factory from Rs. 65.39 lakhs to Rs. 73.29 lakhs and that Implement Factory from Rs. 24.33 lakhs to Rs. 36.54 lakhs. The Silk Weaving Factory, however, showed a nominal decline in the value of its production. This trend in increasing production has been maintained during the first six months of the current financial year in which the aggregate value of production in the institutions which I have just

mentioned has risen to Rs. 245.63 lakhs from Rs. 225.45 lakhs, in the corresponding period of last year.

9. According to the data from the Employment Exchanges in the State, which covers a small but vital section of the working class in the State, the number of vacancies notified by the exchanges during 1964-65 declined to 28,067 from 34,417 in 1963-64 and the placements effected to 16,831 from 22,997.

10. There was a continuous upward trend in the wholesale price of agricultural commodities and the index rose continuously from 160.8 in January 1964 to 220.1 in January 1965, (Base: 1952-53-100). The index fell thereafter during certain months and stood finally at 210·6 in September 1965. Compared to the preceding year, there was a 20 per cent rise in the wholesale price of agricultural commodities, the index rising from 152·3 in 1963 to 182·6 in 1964. The price index for all commodities which stood at 191·9 in September 1964 rose to 210·6 in September 1965, a rise of 9·7 per cent, cereals registering the highest percentage increase of 23·8.

11. The rise in wholesale prices of agricultural commodities was reflected in the cost of living of the people in the State. The working class consumer price (general) indices rose in all the urban centres in the State; during the period from September 1964 to September 1965, the rise in the index varied from 4 per cent to 31 per cent in several areas.

12. The cost of living of the agricultural labourers in the State also registered a rise; during this period from September 1964 to September 1965, there was a 23·3 per cent rise in the consumer price general index, which rose from 133 in September 1964 to 164 in September 1965.

Seasonal Conditions and Relief Measures.

13. The failure of rains over large areas of the State during the current year has placed an unprecedented strain on the economy of the State. Several remedial measures have been undertaken by Government to save the standing crops to the maximum extent possible and to encourage the cultivation of second crop. The supply of electrical and diesel pumpsets has been arranged and the effects of scarcity mitigated by prompt steps regulating procurement, movement and distribution of foodgrains. Besides sanctioning Takavi Loans, additional funds have also been sanctioned for scarcity relief works and the cuts made in the Budget for Minor Irrigation were restored and additional grants sanctioned. The total provision given for Minor Irrigation this year is Rs. 400 lakhs to the P. W. D. and Rupees one crore for Irrigation Wells. In addition, Government have also subscribed for land development debentures to the extent of Rs. 50 lakhs on the understanding that the Bank will sanction larger number of applications for loan for Irrigation Wells. The Government of India also came to our assistance by sanctioning a loan of Rupees one crore for scarcity relief works. A team

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of officers from the Government of India and the Planning Commission recently visited the State to examine on the spot problems arising out of scarcity conditions. I am sure they will take a realistic view of the conditions in Mysore and that liberal assistance for scarcity works which have to be continued next year till the harvest season will be forthcoming as a result of their report.

Financial Position.

15. The current year is the final year of the Third Plan and it will be appropriate if I give the House at this stage a brief account of the financial position of the State as it has been affected by the implementation of the Plans. For this purpose, it will be convenient to start with the State as reorganised by the States Reorganisation Act on the 1st November 1956.

Review of the Financial Position.

16. During the period 1957-58 to 1960-61 which covered the last four years of the Second Plan, the State had to face various problems resulting from the reorganisation and it took some time to organise the departments and gear up the administrative machinery. The tempo of development was inevitably affected in the earlier years. During this period, the State realised substantial revenue surpluses and built up reserves in addition to what it received from the various areas in the form of cash and investments. With the progressive strengthening of the administrative machinery in all Departments, the expenditure on development steadily picked up. The total capital expenditure and net disbursement of loans and advances in the four-year period amounted to Rs. 84 crores and Rs. 18 crores respectively while the net receipts from borrowings amounted to Rs. 64 crores. The excess expenditure of Rs. 38 crores under capital and loans and advances over net borrowings was met from the accumulated reserves and the net incomings in the public account. The position as a whole was comfortable and the State ended up the Second Plan with free reserves of Rs. 25 crores or so.

17. The implementation of the Third Plan has placed a greater stain on the finances of the State than was anticipated. As Hon'ble members are aware, the Third Plan for the State provided for an outlay of Rs. 250 crores of which Rs. 140 crores would be covered by Central assistance leaving the State to find Rs. 110 crores. This was made up of a contribution from current revenue of Rs. 9.8 crores, additional taxation of Rs. 42 crores, loans from public of Rs. 14.70 crores, Small Savings of Rs. 10.00 crores, net receipts from Unfunded Debt of 5.50 crores, contribution from Public Enterprises of Rs. 13 crores and withdrawal from reserves of Rs. 15 crores. This was only a rough estimate and the resources were reassessed at the time of annual plan discussions with

reference to more up-to-date data. While the estimates under the other heads as raised from time to time have been more or less realised, the contributions from current revenues of Rs. 9.8 crores assumed in the five-year forecast (later corrected to deficit of Rs. 2 crores at annual plan discussions) has actually turned out to be a deficit of Rs. 18 crores. The large deterioration is mainly on account of increased emoluments of Government servants, which became almost inescapable with the increases given by the Centre and the neigbouring states, increased expenditure in Departments like Education on account of educational concessions, N.C.C. expansion, etc., and the burden on the revenue imposed by the adverse seasonal conditions this year. Similarly under miscellaneus captial receipts we assumed in the plan that there would be no surplus of deficit; in the annual plan discussions a deficit of Rs. 23 crores was allowed under this head, but the actual deficit will be Rs. 45 crores. The main reasons are higher non-plan outlay under loans and advances and capital expenditure on administrative buildings, police housing, etc. We have also had to repay a large sum by way of loan repayment. Our original rough estimate of Rs. 25 crores in the five-year forecast turned out to be wholly inadequate and was revised to Rs. 43 crores in the annual plan discussions and is likely ultimately to stand at Rs. 52 crores.

18. The shortfall in resources has been made up by additional Central assistance of about Rs. 17 crores, liquidation of securities to repay the ways and means advance of Rs. 19·4 crores taken from the Reserve Bank and an overdraft with the Bank, which will stand at Rs. 19·45 crores.

19. While the actuals for the current year will be available only after the year's accounts are compiled it is estimated that on the basis of four years' actuals and progress of expenditure during the current year, against the Plan outlay of Rs. 250 crores, the expenditure may be of the order of Rs. 245 crores. As the House is aware, adjustments had to be made twice during the Plan period to give the Plan a defence orientation so as to concentrate on quick maturing projects. The Review on the working of the various departments placed before the House will indicate the progress made in the several departments.

20. The question of clearing the large ways and means advance and the overdraft, which is outstanding with the Reserve Bank has been engaging the attention of Government. The ways and means advance is so large that it is unlikely to be cleared in the near future as after meeting its budgetary requirements and the needs of development the State will not have a surplus of this order. Government have, therefore, decided to liquidate this advance by selling the securities pledged against it to the Reserve Bank and necessary action will be taken in the matter. As regards the uncovered overdraft, we have requested the Government of India to give us a short-term loan to enable us to clear it over a period. The matter is still under consideration; meanwhile, the

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overdraft is being carried over to next year but a substantial sum is being provided for repayment of a part of the overdraft during that year.

Debt Burden of the State.

21. As Honourable Members are aware the implementation of the successive five-year plans has led to a sizable increase in the public debt of the State. It is estimated that at the end of the current year the total amount outstanding on acconnt of borrowings from Government of India will be Rs. 196 crores and from others Rs. 72 crores. This is besides the overdraft of the State Government with the Reserve Bank. The Budget placed before the House provides for repayment of Rs. 14·30 crores to Government of India next year. With the increase in borrowings the quantum of repaymets is bound to go up. During the Second Plan the total repayments to the Centre was of the order of Rs. 14 crores and in the Third Plan this rose to Rs. 52 crores. In the Fourth Plan the repayments may be of the order of Rs. 100 crores. A major portion of the borrowings from the Government of India is invested on Projects and Schemes which do not yield direct and quick returns sufficient to provide for interest and repayment of loans and many of them take a long period to yield an adequate return. There is therefore an urgent need to rationalise the loans and liberalise the terms of repayment. The Second Finance Commission made some recommendations for easing the burden of servicing the debt but no decision was taken on their recommendations. In dealing with this question the Fourth Finance Commission have made certain observations and in view of the importance and the authortiy they carry I would like to quote a few extracts ;

* * *

But as the burden of Central loans began to pile up and as the unproductive, *i.e.*, non-revenue earning nature of a large part of it, *e.g.*, education, health, protective irrigation, etc., became clear, the States felt that any further continuance of this policy by the Government of India could only mean that the Centre would ultimately take care not only of the interest, but also of the repayment liabilit of the whole debt, at least of that part of it which was not clearly productives of a net return equal to these obligations.

* * *

Apart from the current and prospective application of a more rational principle, the scrutiny, classification and treatment of accumulated indebtedness would need an elaborate, expert and representative deliberation. We are convinced, however, that in the interest of financial soundness such an inquiry ought not to be delayed any further. In regard to periods, rates of interest and other terms of each loan made by

the Government of India to a State Government a much more specific and discriminating approach, than it has been possible to adopt in recent years, appears to be called for.

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The overshadowing of current budgets by Plan Budgets, and generally of maintenance by developmental objectives has naturally created a ready acceptance of higher expenditure targets and of continued borrowing.

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While as yet such attitudes and occurrences are rare, the very fact that they are beginning to come to the surface indicates that a thorough revision of the policy underlying borrowing by States, especially from the Centre is urgently called for. In their turn borrowers from State Governments are developing attitudes which reflect similar ideas of optimism and complaisance. A sounder and more rational arrangement between the purposes and the terms of loans must be reinstated to secure and enhance the strength of the fiscal system.

* * *

I trust that Government of India would appoint a High power Commission to go into this question or themselves evolve a workable solution in consultation with State Governments at an early date.

Fourth Plan

22. As the House is aware, the Government of India have not yet taken a final view on the size of the Fourth Plan. However, following indications from the Planning Commission that the size of the Fourth Plan may be roughly twice the size of Third Plan, the State Government submitted a Memorandum for a Plan of Rs. 500 crores. Subsequently the size of the Plan has been raised to Rs. 537 crores. The final size will depend on the quantum of Central assistance and the resources that the State can raise. The tentative allocation of the Fourth Plan Outlay has been proposed as under :

Agriculture including Co-operation	...	Rs. 137.00 Crores
Major and Medium Irrigation Projects	...	,, 86.50 ,,
Power	...	,, 106.00 ,,
Industries	...	,, 35.00 ,,
Communications	...	,, 38.00 ,,
Social Services	...	,, 134.50 ,,
		Rs. 537.00 Crores

I may mention in this connection that the Report of the Techno-Economic Survey conducted by the National Institute of Applied Economic Research has estimated that for the proper balanced develop-

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ment of the State, an investment of the order Rs. 2,860 crores in the 15 years 1961-76 is necessary. Considering the backwardness of the State and the need to improve its economy I hope the Planning Commission will approve of the outlay of Rs. 537 crores suggested by us and a generous measure of Central assistance will be forthcoming for its implementation. On our part we have to do our best to raise the maximum resources possible to sustain a Plan of the size proposed.

23. The Plan outline placed before the Planning Commission is, in my opinion, quite modest in relation to the real needs of the State. A picture of these needs will not be complete until it takes into account the relative industrial backwardness of the State and the irrigation potential which remains to be developed and I shall briefly deal with these points

Development of Irrigation

24. The Princely State of Mysore no doubt started several Industries but even under the old conditions it could not have been classed as an industrialised State in the sense in which West Bengal or Maharashtra are industrialised States. But with reorganisation and in the wider context of planned development the needs of the new State have undergone a radical change. If the State's economy has to be strengthened and the *per capita* income of its people substantially raised, not merely Agriculture but Industry has to be extensively developed. Just as Agriculture depends on Irrigation and other facilities for rapid development, Industry depends on the supply of power, adequate communications and port facilities. During the three Plan periods these requirements of industry have been kept in view. Priority had to be given for generation of power and providing facilities of communications and transport. A survey conducted by the Central Statistical Organisation has revealed that during the period 1959 to 1962 although the production capital invested in the State rose from Rs. 59 crores to Rs. 103 crores, the number of employees from 1.03 lakhs to 1.22 lakhs, the gross out-put from Rs. 80 crores to Rs. 122 crores and the value added by manufacture from Rs. 24 crores to Rs. 42 crores, Mysore lagged behind a number of States in Industrial development. In the group of important industries like sugar, textiles, tobacco, iron and steel chemicals, machinery, etc., which accounted for a major portion of employment, value of out-put and contribution to national income in the country during the year 1962, Mysore Industries in the above group contributed 3.81 per cent of the total of employment, 3.09 per cent of the value of out-put and 3.21 per cent of the value added by manufacture. Although later figures are not available, I doubt whether the relative position of Mysore has materially changed.

25. One of the main reasons adduced for slow growth of Industries was lack of power. We had, therefore, to spend a considerable portion

of our resources on power projects and communications. With the commissioning of the Sharavathy Project, this difficulty has been removed and the State is in a position to provide adequate power and other facilities even for large Industries requiring large supplies of power like Steel, Aluminium, Fertiliser, etc. It is my earnest hope that, with the increased availability of power, industries will be established in a large way in the State.

26. On the part of Government, as the House is aware, several facilities are being offered such as supply of power at reasonable rates, provision of developed land, supply of water, participation in share capital, etc., and a high power committee has been constantly looking after the needs of industrialists and entrepreneurs who come forward to start new Industries or expansion of existing ones. Government have also been sponsoring applications for Industrial Licences on liberal scale. Out of 400 applications recommended during Third Plan period 151 licences were issued and 44 are pending consideration of Government of India. I am, however, sorry to state that all the licences issued have not been implemented. To enable the Industrial Development Corporation to sponsor joint ventures a substantial amount is being provided in the Fourth Plan and the State Finance Corporation, Small Scale Industries Corporation and Co-operative Industrial Banks are doing their best to assist different types of Industrial development. Government are keen on the development of industry in both the public and the private sector and I trust that industrialists and business men will come forward and take advantage of the facilities offered by Government and help in building up the economy of the State.

Development of Industries

27. In comparison with the neighbouring State, Mysore has a low percentage of irrigation, only 8·5 per cent of the total cultivated area being irrigated. More than half the State is always affected by drought conditions and the State as a whole is deficit in foodgrains. Conditions this year have been gravely aggravated by the failure of the monsoon over large parts of the country and the State has felt the impact of a substantial reduction in the available food supplies taking the country as a whole. While in a normal year food surpluses from neighbouring States move to this State, it is dangerous to continue in this position of dependence when the needs of the States, which are now surplus in a normal year will continue to rise. The question of making the State self-sufficient for food is, therefore, one of great urgency. While short-term measures are being taken, which I have mentioned elsewhere, it is essential in this context to improve the irrigation potential of the State as early as possible and complete the major and medium irrigation projects quickly. Thirty-six schemes were included in the first three Plans and twenty-eight more schemes are porposed to be taken up in the Fourth Plan. The estimated cost of all these is Rs. 370 crores of which Rs. 96 crores will have been

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spent by the end of the Third Plan and a minimum provision of Rs. 80 crores is necessary during the Fourth Plan. Due to limited resources available next year, provision could not be made in the Budget for Major and Medium Irrigations, on the scale justified by our requirements, but I hope that in the remaining year of the Plan it will be possible to make up the shortfall. The enormous outlay on the Irrigation Projects cannot obviously be provided in one Plan and it is necessary to think of a fiteen-year programme, which may run to Rs. 500 crores, and make adequate provision every year, giving priority for those which are linked with inter-State agreements for the utilisation of water within a time limit. This will require not only the reallocation of priorities but also a determined effort on our part to raise resources which, with Central assistance, would be adequate to finance these projects in future years. It would greatly assist in the implementation of this programme if the major schemes costing large sums beyond our resources, like the Upper Krishna Project, are taken over to be financed entirely by the Centre, like the Bhakra Nangal Project in the Punjab, the Hirakud Project in Orissa and the Nagarjunasagar Project in Andhra Pradesh.

Annual Plan 1966-67.

28. The Plan outlay for 1966-67 has been fixed at Rs. 50.82 crores. Agricultural Programmes including Co-operation and Community Development have been allotted Rs. 17-41 crores, Irrigation and Power (including the programme of the Mysore State Electricity Board) Rs. 19.21 crores, Industry, Minerals and Communications (including the Programme of the Mysore State Road Transport Corporation) Rs. 6.46 crores, and Social Services Rs. 7.50 crores, and Miscellaneous Rs. 0.24 crore.

29. To achieve increased agricultural production provision has been made for Ayacut Development, Minor Irrigation Works, financing of Irrigation Wells, Electrification of Pumpsets, Soil Conservation, Fisheries and Poultry Development. Under Industries provision has been made for the development of the Porcelain Factory, the Sandal Oil Factories, the Spun Silk Mills, the Implements Factory and for financing the Industrial and Development Corporation. Small Scale Industries, Handlooms, Sericulture and others have been given due provision. The Education Plan includes Rs. 153 lakhs for General Education and Rs. 50 lakhs for Technical Education. Under Health provision has been made for the Bangalore City and other Water Supply Schemes and also the various schemes coming under the Medical and Health Programmes. Family Planning has been given priority and a major portion of the expenditure will be met by the Government of India outside the Plan. Provision has also been made for Schemes of Welfare of Backward Classes, Housing Schemes and Programmes for Women and Children. The details of the schemes in the various sectors have

been set out in the Plan Budget placed before you. The approved plan of Rs. 50.82 crores will be financed by Central assistance of Rs. 34 crores we have to find the balance of the resources to the extent of Rs. 16.82 cores of which Rs. 6.1 crores will come from the State Electricity Board and the State Road Tansport Corporation.

30. The Agricultural Refinance Corporation have approved a scheme for development of arecanut, the total cost of debentures to be issued on this account by the Mysore Co-operative Central Land Development Bank being Rupees one crore of which 75 per cent is subscribed by the Corporation. Provision for the State's share has been included in the Budget. The Corporation has also generally approved of schemes for development of land in the Tungabhadra Project Left Bank costing Rs. 5.93 crores and in the Bhadra Project costing Rs. 2.28 crores, subject to cost benefit investigation being done by the Reserve Bank of India. The Corporation will subscribe 75 per cent of the vaule of debentures on these Schemes.

31. It is necessary for us to achieve self-sufficiency in foodgrains as early as possible. A three-year scheme has been prepared for achieving this. It provides for the production of improved seeds, supply of fertilisers, plant protection measures and rendering of technical services. The scheme envisages a recurring expenditure of Rs. 12.61 lakhs for the two-year period and Rs. 26 lakhs under non-recurring. It would also be necessary for the successful implementation of the scheme to provide for short-term credit facilities for purchase of fertilisers, etc., to the extent of Rs. 25 crores over a period of two years. The Department of Co-operation would also require capital investment of the order of Rs. 65 lakhs and a sum of Rs. 20 lakhs towards recurring and non-recurring charges. We are approaching the Government of India for necessary assistance.

Award of Finance Commission.

32. An important evnet during the year affecting the finances of the State during the period of the Fourth Plan was the Report of the Finance Commission whose recommendations have been accepted by the Government of India. The Commission gave a patient and sympathetic hearing to the case presented for Mysore and we have, by and large, received a very fair deal from the Commission. The Commission assessed the State's non-plan Revenue gap during 1966-71 at Rs. 202.52 crores, without taking into account the further increased Dearness Allowance sanctioned from 1st July 1965, estimated by us at Rs. 12·45 crores for the five-year period. They recommended that the effect of the increase may also be borne in mind in fixing the grant-in-aid under Article 275 of the Constitution in the order of the President. As I have already apprised the House, a major portion of this commitment has been taken into account in

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the order of the President. The revenue estimates for 1966-67 include the following sums under the award of the Commission :

Estate Duty	...	Rs.	39.60 lakhs.
Tax on Railway fares	...	,,	64.68 ,,
Income-tax	...	,,	670.51 ,,
Union Excise Duties	...	,,	896.22 ,,
Additional duties of Excise		,,	175.85 ,,
Grant-in-aid	...	,,	2,082.00 ,,
Total	...	Rs.	3,928.86 lakhs.

33. The growing volume of assistance given by successive Finance Commissions, both by way of devolution of revenues and grants-in-aid, raises an important question in the field of relations between the Centre and the States.

Under the Constitution, the States are largely left with inelastic sources of Revenue while the responsibilities cast on them to build up a welfare State are enormous. The expenditure on Social and Developmental services is steadily rising, and every successive plan adds a large amount of committed expenditure and debt charges to the normal Budget while every effort is made to keep down non-plan expenditure ordinary administrative costs also tend to rise. The States get some relief from the periodical awards of the Finance Commission and a certain amount of elasticity has been imported into the allocation of revenue between the Centre and the State by the sharing of a wide range of Excise Duties. The Planning Commission assesses the State's resources every year and fixes the amount of assistance, a major portion of which is given in the form of loans which, as I have indicated elsewhere, makes it obligatory for States to earmark increasing amounts of their resources towards debt repayments. The result has been a growing dependence of the States on the Centre for their financial resources. I feel that the time has come for a review of the entire State-Centre relations in the financial field with a view to reducing the dependence of the States on the Centre and allowing a larger devolution of Central Taxes to States. More of Central assistance for development should also be in the form of grants. I have also mentioned elsewhere the need to liberalise the terms of the loans with due regard to the productivity of the investments and the capacity of the State to repay.

Housing of Scheduled Castes.

34. An important step was taken during the year for securing adequate finance for the housing of Scheduled Castes. As Honourable Members are aware, the need for improving their housing conditions is both urgent and substantial. A large number of Housing Co-operative

Societies have been started by Scheduled Castes and it is proposed to form a Federation of these Societies and channel funds for the building of houses to the Societies through the Federation. The Life Insurance Corporation have been good enough to promise us a loan of Rs. 3.5 crores this year for Scheduled Castes housing. The Federation of the Primary Societies is being organised and the loan taken from the Life Insurance Corporation will be placed at the disposal of the Federation to be utilised by them as and when necessary. Arrangements will be made to secure adequate supervision by Government over the custody and investment of the funds by the Federation and for the proper disbursement of individual loans through the Primary Co-operative Societies. This will give the desired impetus to the building of houses for this backward and economically weak section of the community and I am sure the House would welcome this scheme. Necessary provision for this has been included in the Revised Estimates.

Small Savings.

35 The House will be interested in the progress made during the year in the development of the Small Savings which are one of the important resources of finance for the Plan. During the current year the Directorate of Small Savings, with the assistance of the Regional Director, took several steps to mobilise savings. Mention may be made of the remarkable progress under Pay Roll Savings Scheme. About 14,000 employees of the Mysore State Road Transport Corporation have joined the Scheme and opened Cumulative Time Deposit Accounts. The employees of the Mysore State Electricity Board have also participated in the Scheme. At a meeting of all Trade Unions of the Public Sector Undertakings held on 16th September 1965, it was agreed to enter into bipartite agreement to form Pay Roll Savings Groups. I must in this connection thank the Hon'ble the Chief Minister who in spite of other pre-occupations undertook a Padayatra in Chitradurga, Davanagere and Shimoga to mobilise Small Savings. The total collections were about Rs. 20 lakhs. It is gratifying to note that Mercara town has become Bachatnagar, all the families contributing to the Small Savings Scheme. A Special Defence Savings Campaign was also undertaken and the Deputy Commissioners have been requested to launch a Savings Fortnight Campaign before March 1966. The collections during the current year have been encouraging. The net collections rose from about Rupees one crore in 1956-57 to Rs. 4.40 crores in 1963-64 and during the current year the net collections are Rs. 3.78 crores to end of December 1965. I seek the co-operation of the Hon'ble Members of the Legislature, non-officials and the general public in increasing the tempo of Small Savings.

Measures taken to improve the Financial Position.

36. Before I deal with the Estimates, I should like to give an account of the steps taken by Government during the current year to improve the financial position and mobilise additional resources for development.

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37. The Budget for the current year was framed on the assumption that additional resources to the extent of Rs. 4.5 crores will be raised from Land Revenue Resettlement, etc., and about Rs. 4 to 5 crores by the collection of arrears. It also left a gap of Rs. 8 crores in the resources required for implementing a Plan of Rs. 56 crores. It became obvious, as the year progressed that the expected additional resources will not materialise; on the other hand, the Budgetary position worsened due to the enhancement of the Dearness Allowance of Government employees and others and the failure of rains which affected both the collection of revenue and takavi and involved new expenditure on scarcity relief, minor irrigation and so on. The position was carefully reviewed and prompt action taken to cut down expenditure and enforce economies. As early as September last, it was decided to cut down Plan and non-Plan expenditure by Rs. 6 crores and orders were issued prohibiting the construction of new works and purchase of equipment during the rest of the year. All Departments were also asked to achieve a reduction of 10 per cent of their establishment by keeping existing and future vacancies unfilled. A strict control has been maintained on applications for the filling up of vacancies, which are approved only in essential cases. Similarly, sanction of additional establishment has been restricted to inescapable cases or where the additional establishment would bring in increased revenue by improving collections. As the House knows, certain economy measures were imposed in 1962 at the time of the emergency following the Chinese invasion and these measures have been continued. A close watch is maintained on the progress of the collection of arrears of revenue and on the growth of expenditure. Although in the Budget for the coming year, I have not included lump cuts for economies in the various demands, it is my intention, as soon as the Budget has been passed, to arrange discussions with Secretaries to Government and the Heads of Departments in an effort to secure as much economy as possible within the sanctioned grants.

38. The question of raising additional resources for financing the Fourth Plan was also taken up during the current year. Members will recall that during the October Session of the Legislature, three Bills were passed, one increasing the rate of the Sales Tax on Diesel Oil from 5 per cent to 8 per cent per litre, another increasing the rate of Sales-tax on certain items like Cotton and changing the point of incidence in some cases and the third rising the rate of tax on goods motor vehicles to bring it on par with the rates prevailing in Madras. Water rates for irrigation were also revised and the rates fixed with reference to crops and the capacity of Irrigation Works to irrigate 100 acres and above and these rules came into effect on the 1st January 1966. Last January, a Bill further amending the Sales-tax Act was passed bringing the multi-point tax and the taxation on luxury goods to the level to which it had been raised in Madras and neighbouring

States. Certain other amendments were also made, largely by way of readjustments, and the exemption limit for tax purposes was raised from Rs. 7,500 to Rs. 10,000. The financial effect of the changes in the Sales-tax, including those made last October, would be to bring in an additional revenue of Rs. 4 crores. The effect of the other measures, which I mentioned earlier, would be to bring in a further revenue of Rs. 1·75 crores. In the revenue Estimates of the coming year, credit has been taken for the additional revenue from these measures.

Emoluments of Government Servants

39. I would like to draw the attention of the House to the increasing burden placed on the State's finances by increases necessitated from time to time in the emoluments of Government servants, employees of Local Bodies, aided institutions and others. This is imposing a very heavy burden on the State's finances. During the Third Plan period, scales were revised after the merging of the Dearness Allowance with effect from 1st January 1961. Further increases in Dearness Allowance and Compensatory Allowances were given from 1st April 1963, Ist April 1964, 1st January 1965, 1st April 1965 and 1st July 1965. This has cost the State exchequer about Rs. 30 crores during the Third Plan period. In effect, a major portion of additional taxation imposed by the State has been absorbed by this expenditure and the resources available for the Plan have thus been curtailed. The last Finance Commission's award has fortunately taken care of the commitment on account of these increases as at the end of the Third Plan, but there is no cushion left for absorbing any furthe rincreases.

40. As the House is aware, the Government of India have again increased the Dearness Allowance of Central Government employees. The cost of living being common to both Central and State Government employees, the State Government is again faced with the resulting disparity in incomes. We have represented to the Government of India about the embarrassing situation created for the States by the Centre unilaterally increasing the Pay or Dearness Allowance of its employees. In this connection, I would invite reference to the observations made by the Fourth Finance Commission. They said :

"An assessment of needs of the type undertaken by us cannot obviously take into account various items of requirements which might emerge during the next five years and which cannot be foreseen at this time. An appropriate procedure will have to be evolved to take such needs into account and to afford Central assistance wherever necessary."

(SRI RAMAKRISHNA HEGDE)

41. In a note appended to the Report of the Commission one of the members stressed the need for co-ordinating Central and State policies in this matter. He observed :

> "It is essential, therefore, to have some arrangement for a continuous examination of the problem of incomes, both in its inter-regional and inter-temporal aspects. Such examination would in the very nature of things cover the question of the incomes of Government employees and of those who are paid partly or wholly, out of Government funds. There should similarly be some arrangement by which the financial requirements of the State Government in this regard would be examined jointly by the Centre and the States at frequent intervals. The Finance Commission cannot itself undertake the task of determining what should be the appropriate rates of pay and allowances, but revision by hectic spurts at five-yearly intervals, with the Finance Commission playing a passive role, may produce results which are unsatisfactory to the employees, inequitable as between States and injurious for the economy as a whole. A permanent and continuously operating machinery is needed for the purpose."

42. This problem is continuously before Government and I can give the assurance that the needs of our staff will be sympathetically considered within the limits imposed by our financial position.

43. I shall now turn to the Accounts for the year 1964-65, the Revised Estimates for the current year and the Budget for the coming year.

Accounts 1964-65

44. The Revised Estimates for 1964-65 anticipated a revenue deficit of Rs. 340·12 lakhs. The actuals turned out to be a surplus of Rs. 290·89 lakhs, an improvement of Rs. 631·01 lakhs. This was the result of an increase under revenue of Rs. 150·66 lakhs and a reduction in expenditure of Rs. 480·35 lakhs.

45. The Revised Estimates for the year anticipated a capital expenditure of Rs. 30·85 crores, the actuals however turned out to Rs. 28·85 crores. The actuals, however, include the transfer of Rs. 6·22 crores from Capital to Loans due to the conversion of the Mysore Iron and Steel Works and Cement Plant into Government Company with effect from 1st April, 1962. The actual capital expenditure, therefore, was of the order of Rs. 35 crores.

46. The year opened with a cash balance of Rs. 4·32 crores and a Ways and Means advance of Rs. 26·85 crores. At the end of the year, the cash balance had risen to Rs. 6·22 crores and the ways and means advance to Rs. 27·97 crores.

Revised Estimates 1965-66

47. The Budget provided for a revenue of Rs. 121·52 crores and a revenue expenditure of Rs. 125·43 crores, leaving a deficit of Rs. 3·91 crores. The revised estimates now provide for a total revenue of Rs. 122·59 crores and a revenue expenditure of Rs. 130·23 crores leaving a deficit of Rs. 7·64 crores.

48. The improvement of Rs. 107 lakhs in revenue is the result of a large number of variations. The principal heads of revenue show, on the whole, an improvement of Rs. 2.26 crores mainly accounted for by an improvement of Rs. 1.75 crores under 'Sales Tax' and Rs. 45 lakhs under taxes on income the changes in the other heads cancelling out. There is an impovement of Rs. 2 crores under 'Interest Receipts' and Rs. 80 lakhs under 'Forest'. These improvements are nearly counter-balanced by a drop of Rs. 3.41 crores in the receipt of Grants-in-aid from the Centre. The other variations spread over a number of heads do not call for any special comment.

49. Expenditure met from revenue is now expected to be Rs. 4.80 crores more than the Budget. Debt services show an increase of Rs. 1.68 crores, Administrative Services Rs. 54 lakhs, Multipurpose River Scheme, etc., Rs. 1.28 crores and Miscellaneous expenditure Rs. 2.24 crores. This is partly counter-balanced by a drop of Rs 1.07 crores under 'Public Works' and by minor variations under the other heads. The revised estimates include provision for the increase in dearness allowance sanctioned to Government employees during the course of the year.

50. Capital outlay this year is now placed at Rs. 35.54 crores against the Budget of Rs. 37.59 crores. The drop of Rs. 2.05 crores is accounted for by a fall of Rs. 3.12 crores in the outlay on Electricity Schemes, Rs. 83 lakhs under 'Public Works' and Rs. 19 lakhs under 'Ports' partly counter-balanced by an increase of Rs. 47 lakhs in Capital outlay and Industrial Development, Rs. 75 lakhs in Capital outlay and Irrigation and Navigation, commercial and non-commercial, and Rupees one crore in the appropriation to the Contingency Fund.

51. The current year opened with a cash balance of Rs. 6.22 crores, a ways and means advance and overdraft from the Reserve Bank of Rs. 27.97 crores. The transactions of the year are expected to result in an overall deficit of Rs. 17.10 crores. There will be a total outgo of Rs. 93.80 crores made up of the revenue deficit of Rs. 7.64 crores, capital outlay of Rs. 35.55 crores, Rs. 37.08 crores on repayment of debt including Rs. 19.4 crores proposed to be repaid to the Reserve Bank by the sale of securities and net outgo of Rs. 13.53 crores under Loans and Advances. This will be partly covered by a total receipt of Rs. 76·70 crores, Rs. 5.30 crores from market borrowing, Rs. 36.73 crores from borrowing from the Centre, Rs. 6.30 crores from other borrowing, Rs. 2 crores credits under the Contingency Fund, Rs. 1.18 crores from the net receipts under Unfunded Debt and Rs. 25.19 crores from Debt and Deposit Heads, the large credit under which is accounted

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for by the proceeds of the sale of securities held in the Sinking Funds and other Reserves for repaying the ways and means advance to Reserve Bank, leaving an overall deficit of Rs. 17.10 crores. This will wipe out the opening cash balance and leave a *minus* balance of Rs. 10.83 crores.

Budget 1966-67

52. At the existing level of taxation including the yield of the measures passed by the Legislature this year, the revenue for the next year will amount to Rs. 156.53 crores and the expenditure on Revenue Account Rs. 154.00 crores leaving a surplus of Rs. 2.53 crores. The Revenue Estimates take into account the award of the Fourth Finance Commission and provide for some improvement in tax collection by tightening the collection machinery. The Estimates assume that for next year, we shall have a normal monsoon and that it will not be necessary to give suspensions of revenue and loans on account of scarcity. Credit has been taken for a yield of Rs. 175 lakhs from the Mysore Sale of Motor Spirit taxation Amendment Act, 1965, Mysore Motor Vehicles Taxation Amendment Act, 1965, Mysore Irrigation Levy of Water Rate Rules, 1965, and Rs. 4 crores from the Mysore Sales-tax Amendment Acts. Out of the total improvement in revenue of Rs. 33.95 crores, the Fourth Finance Commission's award accounts for Rs. 17.76 crores. In the Revised Estimates under the various heads covered by the award of the Third Finance Commission, the total revenue amounts to only Rs. 21.53 crores while the provision in the Budget estimate under the corresponding heads amount to Rs. 39.29 crores. The additional taxation imposed in 1965 as mentioned earlier, accounts for Rs. 5.75 crores. Land Revenue, Sales Taxes, Other Taxes and Duties, Animal Husbandry, Industries, Irrigation (Commercial) and Electricity Scheme are all expected to bring in additional income in the coming year. While steps are being taken by the levy of additional taxation to raise fresh resources for the Plan, the question of improving the yields under the existing heads of Revenue has not been lost sight of. For example, in the current year, the Commercial Taxes Department, which collects the largest single item of State Revenue, namely, Sales Taxes, was strengthened to check evasion by the setting up of several Intelligence Offices and by the rationalisation of the jurisdiction of Assessing Officers by creating twelve new Circles and sub-circles and the bifurcation of the Mysore Division. The transfer of Agricultural Income-Tax from the Revenue Department to the Commercial Tax Department has borne good results and the timely assessment of revenue under this head has led to an improvement in collections. The Budget also takes credit for receipt of Rs. 4 crores by the sale of power from Sharavathi to State Electricity Board. Since only 10 units have been

commissioned, the question of charging interest on Capital and Depreciation is under consideration and suitable adjustments will be made during the year.

53. The Revenue expenditure in the coming year shows an increase of Rs. 23.78 crores over the Revised Estimates for the current year. The Budget includes a State Plan outlay of Rs. 13.49 crores and an outlay of Rs, 9.62 crores on Centrally sponsored shemes. Provision has been included for committed expenditure arising out of the schemes completed during the Third Plan, for interest charges on outstanding loans and the normal increases in administrative expenditure. During the discussions with the Planning Commission on the Plan outlay for 1966-67, it was impressed on us that a sizable sum should be provided for redurring the large outstanding overdraft with the Reserve Bank. Accordingly, a provision of Rs. 10 crores has been made under the head 'Appropriation for Reduction or Avoidance of Debt' out of which Rs. 6 crores will be repaid to the Reserve Bank and the balance taken as resources for financing the Plan outlay. An analysis of the Revenue Budget will show that out of Rs. 154 crores, Rs. 3·84 crores will be absorbed by tax collection, Rs. 24·72 crores by Debt Services, which include a provison of Rs. 6 crores for reducing overdraft, Rs. 14·04 crores by Administrative Services, Rs. 70·55 crores by Social and Developmental Services (the provision for Education alone takes Rs. 29·72 crores of this sum), Rs. 23·47 crores by Public Works, Electricity and Irrigation, Rs. 3·24 crores by Pensions and other retirement benefits, Privy Purses and Territorial and Political Pensions and Rs. 5·98 crores by outlay on Forests. Out of the total Revenue Expenditure of Rs. 154 crores, Rs. 23.11 crores form part of the Plan outlay, including outlay on Centrally sponsored schemes, leaving a balance of Rs. 130.89 crores as non-Plan expenditure.

54. Before passing on to the Capital Budget, I would like to mention a point regarding the provision made for Education. As Secondary Education has now been made free, an extra grant of Rs 50 lakhs would be required for Grants-in-aid to schools on this account, while the fee receipts from Government schools will not be realised. The Budget has made provision for both. I may also mention that the grants shown in the Budget for Universities are tentative and will have to be refixed during the year taking into account commitments on account of University Grants Commission Schemes, etc. A provision of Rs. 25 lakhs has been included as the State's contribution to the Mysore University Golden Jubilee Fund.

55. The Government of India have sanctioned a loan assistance of Rs. 50 lakhs for strengthening the Agricultural Credit Stabilisation Fund. The scheme of assistance has not yet been finalised. In the Budget, credit has been taken for Rs. 50 lakhs as loan and a provision of Rs. 50 lakhs as contribution has been made in the Revenue account. During the year, the pattern of assistance to the Stabilisaton Fund will be determined and suitable adjustments between Revenue and Capital will be made.

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56. For Capital outlay, a provision of Rs. 28.74 crores has been included. Out of this, provision of Rs. 16·51 crores is for Irrigation and Power, Rs. 6·83 crores for Roads and Buildings, Rs. 4·01 crores for Industries, including investment in the share capital of Aided concerns and Co-operative Institutions. The balonce of the provision of Rs. 1.39 crores is for items like Ports, Public Health, Compensation, Food Supplies and other miscellaneous items. Out of the total Capital outlay of Rs. 28·74 crores, outlay of Rs. 24·66 crores forms part of the Plan including Centrally sponsored schemes, leaving a balance of Rs. 4·08 crores for outlay outside the Plan. For minor irrigation works in the P.W.D. though a provision of only Rs. 290 lakhs has been made in the Budget, we shall do our best to secure additional assistanee so that works taken up could be speedily completed. Under Communications, provision has been made for works in progress and also for works included in the Rs. 1.6 crores programme taken up during the current year. A provision of Rs. 50 lakhs has also been made for new works. Under 'Buildings', provision has been included for works relating to Plan Schemes of the Departments concerned. Outside the Plan, provision has been included of Rs. 15 lakhs for Court buildings, Rs. 15 lakhs for Sainik School, Rs. 30 lakhs for residential quarters for Government servants, Rs. 3 lakhs for the Mysore House at Delhi, Rs. 4 lakhs for the construction of a Sub-Jail at Gulbarga and Rs. 5 lakhs for a supermarket at Gulbarga.

57. Under Loans and Advances, credit has been taken for an extra recovery of about Rs. 2½ crores over and above the recoveries in recent years. It is necessary to step up the recoveries of loans as while disbursements have been steadily rising, recoveries have remained more or less stagnant.

58. The provision for disbursements of Loans and Advances in the Budget is Rs. 14.76 crores. In addition to normal items like takavi and land improvement loans, the Budget includes a provision of Rs. 6.66 crores forming part of the Plan, Rs. 67 lakhs for loans to Government servants, Rs. 40 lakhs for loans to Land Development Bank, Rs. 15 lakhs for Rehabilitation of Goldsmiths, Rs. 100 lakhs for Housing Schemes financed by loans from the Life Insurance Corporation and Rs. 36 lakhs for National Loans Scholarships. Loans under the Plan include loans for Irrigation Wells, and for purchase of pumpsets, loan to the Bangalore Water and Sewerage Board, loan for urban water supply and loans for Ayacut Development in the Tungabhadra area, Soil Conservation, Community Development, etc.

59. Government have taken a decision in principle for the monopoly procurement of foodgrains in the coming year. Substantial finance will be required for this and may have to be obtained through the Food Corporation of India and the Commercial Banking sector. Additional staff would also be required for administering the scheme. In the absence of full details, which have still to be worked out, I have

included no provision in the Budget Estimates on this account. When the picture becomes clearer and if additional funds are required by Government, the House will be approached at the appropriate time.

60. I may now summarise the overall Budgetary position. We shall be opening the coming year with a minus balance of Rs. 10.88 crores. The outgo during the year will be Rs. 21.32 crores on account of debt repayment, including the repayment of Rs. 6 crores to the Reserve Bank on account of the overdraft, Rs. 28.74 crores on account of capital outlay and Rs. 4.83 crores on account of the net outgo under 'Loans and Advances' making a total of Rs. 54·89 crores. This will be met by a Revenue surplus of Rs. 2·53 crores, a market loan of Rs. 4 crores, a borrowing of Rs. 34·33 crores from the Central Government and Rs. 2·70 crores from other sources, a net receipt of Rs. 1·33 crores under unfunded debt and Rs. 11·62 crores under Debt Deposit heads making a total receipt of Rs. 56·52 crores. This will leave an overall surplus of Rs. 1·62 crores, which will reduce the closing balance to a minus figure of Rs. 9·26 crores.

61. In the Budget placed before the House, I have taken credit for the Revenue from the measures of taxation already passed by the Legislature. Some measures are now before them and others are under consideration and I would like to mention these briefly. A Bill is before the Legislature for the levy of a surcharge on Land Revenue and for the levy of an Urban Property Tax. These two measures, if passed by the Legislature, would bring in additional revenue. A proposal to increase the tax on passenger fares is also under consideration, for which the sanction of the President required under the Constitution is awaited.

62. There have been several representations that Government should take some positive steps for the encouragement of Kannada Films and for the establishment of a Films Studio. I propose to levy a small additional surcharge on the Entertainment Tax and utilise the proceeds for subsidising Films and setting of a Studio. I am sure, the House would welcome this.

63. At the existing level of taxation, the Revenue surplus for the coming year is estimated at Rs. 2.53 crores and the overall surplus at Rs. 1.62 crores. The Taxation measures, which are before the House and the measures we have in view would improve the position further but at this stage, I am not taking any credit for the yield from them.

64. In the difficult financial position of the State and considering the small size of the available surplus, it is not possible to think of any concessions in taxation. After careful consideration, we have, however, come to the conclusion that some relief should be provided for Government servants in the lower pay ranges. We accordingly propose that all Government servants, employees in Government Industrial Concerns, employees of Local Bodies and employees of Aided Educational Institutions drawing a basic pay up to Rs. 210 per mensem should be given a flat increase in Dearness Allowance of Rs. 5 per month. This will cost the exchequer approximately Rs. 1.5 crores a year. Provision will be made in the supplementary estimates.

(SRI RAMAKRISHNA HEGDE)

65. There is one other relief which we should also like to give, if in the course of the coming year there is some improvement in our finances. We are deeply conscious of the fact that in a very large number of villages there is still no provisions for drinking water although we are on the threshold of the Fourth Five-Year Plan. While I have made no provision for this purpose in the Estimates presented to the House, Government will try to see if during the course of the year funds cannot be made available for the provision of drinking water in a sizable number of villages which are without this facility.

Conclusion

66. Before I conclude my speech, I should like to say a few words about the state of our economy and our finances. The current year has been a very difficult one and I have explained to the House the reasons for this. The implementation of the Third plan has placed a very great strain on our resources and we have had to use up almost all our available reserve, including a part of our Sinking Fund for meeting the short fall in resources, in addition to having an overdraft with the Reserve Bank. This overdraft, which is now expected to be somewhat smaller at the end of the current year than anticipated will be reduced during the coming year and I hope it will be possible to take steps for having the balance cleared in the following year or two. Although our financial position has been causing us some anxiety, there is no reason to take a pessimistic view. Our Revenue position is quite sound and the steps which we have taken and propose to take will further strengthen it. Our Major projects like Tungabhadra and Sharavathi, on which large sums have been spent, have started yielding returns. We have a large potential in irrigation, power and minerals, which if properly exploited, would enable us to become self-sufficient in food and assist in the industrialisation of the State. We are somewhat handicaped in borrowing for our capital projects by the fact that Bangalore is not a financial centre like Bombay, Calcutta or Madras so that our loans have to be on a modest scale. We have, therefore, no option but to raise more revenue and use the surplus for meeting a part of our Capital deficit. What matters ultimately is not the size of the Revenue surplus but whether taking the Budget as a whole, we have a surplus or a deficit. For the coming year, I have planned for a modest overall surplus. I hope the House will give its approval to the Budget presented to-day and I commend it for favourable consideration.

JAI HIND

ANNEXURE A

ESTIMATES OF PRODUCTION OF IMPORTANT AGRICULTURAL COMMODITIES DURING THE YEARS 1963-64 AND 1964-65.

(Figures in Tons)

	1963-64*	1964-65**	Percentage variation
Cereals ...	39,21,210	41,67,892	+ 6·29
Pulses ...	3,19,338	3,16,842	— 0·78
Oilseeds ...	5,80,528	8,00,889	+37·96
Cotton (Bales of 392 lbs.) ...	4,04,369	4,14,709	+ 2·56
Sugarcane ...	65,28,852	61,36,490	— 6·01

* Partly revised estimates.

** Final forecast figures.

ANNEXURE B

PRODUCTION DATA OF SOME SELECTED INDUSTRIES IN THE STATE.

Industry	Unit	Production during 1963-64	1964-65	Percentage variation	April-Sept. 1964	April-Sept. 1965	Percentage variation
Pig Iron (including ferro-alloys)	Metric Tons	102,324	99,170	—3·08	51,976	53,667	+3·25
... rude, Semi-finished and Finished Steel	,,	89,611	87,907	—1·94	39,017	56,896	+45·82
Sulphuric Acid	,,	5,342	8,233	+54·11	2,092	7,439	+255·59
Copper Sulphate	,,	1,262	1,532	+21·39	825	691	—16·24
Ammonium Sulphate	,,	1,683	182	—89·19	67	82	+22·39
Super Phosphate	,,	6,797	15,420	+126·86	3,307	16,374	+395·13
Sugar	,,	119,094	153,447	+28·84	22,090	49,219	+122·81
Paper	,,	49,981	52,002	+4·04	24,406	27,392	+12·23
Cement	·000M.Tons	859·6	854·9	—0·55	400·7	422·5	+5·44
Cloth*	·000 Metres	87,161*	88,306*	+31·60	42,201**	47,604**	+12·80
Sandalwood Oil	·000 Kg.	76·4	94·94	+29·45	47.5	51·2	+7·79
Generation of Electricity.	Million KWH	1321·991	1370·684	+3·68	702·617	756·411	+7·66

* for the calendar years 1963 and 1964.

** for the half years January 1964 to June 1964 and January 1965 to June 1965.

ANNEXURE C

THE DATA OF VALUE OF PRODUCTION OF GOVERNMENT INDUSTRIAL CONCERNS.

Value of Production in Government Concerns.

Name of the Concern	Value of Production (Rs. in lakhs)			
	1963—64	1964—65	April-Sept. 1964	April-Sept. 1965
Govt. Sandalwood Oil Factory	110·65	133·74	66·84	74·24
Govt. Soap Factory ...	110·87	118·14	64·62	69·19
Govt. Electric Factory ...	80·40	99·84	34·81	28·86
Govt. Porcelain Factory ...	65·39	73·29	36·53	43·15
Govt. Silk Weaving Factory ...	15·99	16·30	8·32	10·68
Mysore Implements Factory ...	24·33	36·54	17·33	19·51
Total ...			228·45	245·63

(SRI RAMAKRISHNA HEGDE)

ANNEXURE D

THE VALUE OF PRODUCTION OF SOME IMPORTANT MINERALS DURING THE TWO YEARS 1963 AND 1964.

Minerals		Rs. in lakhs 1963	1964
Gold	...	276.56	298.13
Iron Ore	...	120.33	137.63
Manganese ore	...	73.31	70.43
Limestone	...	51.19	40.63
China Clay	...	3.19	2.63
Quartz	...	4.27	4.84
Magnesite	...	2.85	2.96
Bauxite	...	0.75	1.94

ANNEXURE E

The following table shows the progressive increase in State's Revenues commencing from 1960-61

(Rs. in lakhs)

A. DIRECT TAXES	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Accounts, 1963-64	Accounts, 1964-65	Revised, 1965-66	Budget, 1966-67
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. *Share of Central Taxes*:							
1. Income Tax ...	447·08	479·41‡	488·73	619·40	634·02	631·81	670·51
2. Estate Duty ...	17.47	22·65	21·72	22·88	37·39	37·85	39·60
3. Tax on Railway Fares...	61·37	55·63	56·00	56·00	56·00	56·00	64·68
Total I ...	525·92	557·69	566·45	698·28	727·41	725·66	774·79
II. *State Taxes*:							
1. Agricultural Income Tax	73·69	58·56	76·16	37·47	101·08	116·00	97·00
2. Land Revenue ...	440·51	450·88	519·96	823·50	710·52	516·34	579·00
3. Stamps ...	190·99	208·56	256·53	297·20	316·11	375·00	380·00
4. Registration ...	32·86	33·75	37·12	46·93	48·70	55·49	57·79
Total II...	738·05	751·75	889·77	1205·10	1176·41	1062·83	1113·79
Total A. Direct Taxes...	1263·97	1309·44	1456·22	1903·38	1903·82	1788·49	1888·58

‡ Excludes grants from Government of India to cover the reduction in Income Tax, consequent upon the changes in company taxation.

B. INDIRECT TAXES	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Accounts, 1963-64	Accounts, 1964-65	Revised, 1965-66	Budget, 1966-67
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
. *Share of Central Taxes*:							
1. Union Excise Duties	239·61	263·71	460·04	537·48	501·16	582·47	896·22
2. Additional Excise Duties in lieu of Sales Tax...	128·50	135·29	165·73	154·70	141·84	169·35	175·85
Total I ...	368·11	399·00	625·77	692·18	643·00	751·82	1072·07
II. *State Taxes:*							
1. State Excise ...	319·15	288·05	292·84	352·06	372·87	400·00	405·00
2. Tax on Vehicles ...	357·76	459·19	556·43	720·10	542·87	601·50	635·00
3. Sales Tax on Motor Spirits.	749·62	869·34	1028·99	1212·23	1473·62	1620·00	2124·35
4. Sales Tax (General)							
5. Inter-State Sales Tax ...	63·03	75·95	92·76	139·73	174·02	280·00	285·65
6. Electricity Duty ...	85·00	147.74	161·90	177·37	196·34	232·14	302·13
7. Entertainment Tax ...	71·70	81·89	102·44	146·19	130·51	148·50	153·70
8. Other taxes including Sugarcane Cess ...	57·35	29·86	93·97	16·04	188·95	183.84	191·75
9. Health Cess ...	16·72	11·90	19·14	57·29	51·06	65·00	70·00
Total II ...	1720·33	1963·92	2348·47	2821·01	3130·24	3530·98	4167·58
Total (B) INDIRECT TAXES I & II	2088·44	2362·92	2974·24	3513·19	3773·24	4282·80	5239·65
Total TAX REVENUE A & B ...	3352·41	3672·36	4430·46	5416·57	5677·06	6071·29	7128·23

ANNEXURE E—(*Concld.*)

Yield from important heads of Non-Tax revenues. (*Rs. in lakhs*)

C. NON-TAX REVENUE (1)	Accounts, 1960-61 (2)	Accounts, 1961-62 (3)	Accounts, 1962-63 (4)	Accounts, 1963-64 (5)	Accounts, 1964-65 (6)	Revised, 1965-66 (7)	Budget 1966-67 (8)
Net Revenues from Industrial Concerns ...	—42·36	—65·15	—23·53	—64·95	—64·52	—31·69	87·47
Net Revenues from Forest Department ...	466·33	435·07	435·48	492·51	517·84	441·66	452·45
* Net Receipts from Road Transport Schemes	5·96	—39·07(*a*)	...	...	...	...	...
Net Receipts from Irrigation (** excluding the grants from Government of India for Plan Schemes and also excluding interest on Capital).	—3·18	—12·82	24·21	—36·23	—23·24	—36·60	51·84
Total C	426·75	318·03	436·16	391·33	430·08	373·37	591·76
Total Tax and Non-tax Revenue (A+B+C) ...	3779·16	3990·39	4866·62	5807·90	6107·14	6444·66	7719·99
** Grants-in-aid from the Centre under provisions of the Constitution.	612·16	706·96(*b*)	684·34	679·28	675·00	675·00	2082·00

Note :—*This does not indicate the net profits earned. This will be available in the Appropriation Accounts of the respective years.

**With the addition of interest on Capital the net receipt will show a very large deficit.

***This does not include grants towards the Plan Schemes, but includes the *ad hoc* grant of Rs. 675 lakhs from 1962-63 awarded by the III Finance Commission.

(*a*) This represents working of the concern on cash basis for a portion of the year till its formation into a Corporation. Working results on Commercial lines will be available in the profit and loss accounts and Balance Sheet.

(*b*) Includes grants from Government of India to cover the reduction in Income-tax consequent upon changes in Company Taxation. This is discontinued from 1962-63.

Table showing expenditure on some of the Developmental Heads in Revenue Account.

(Rs. in lakhs)

Revenue Head	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Accounts, 1963-64	Accounts, 1964-65	Revised, 1965-66	Budget, 1966-67
Education ...	1247·27	1440·23	1662·47	1826·39	2066·91	2471.03	2971·50
Agriculture ..	173·85	196·45	211·42	297·10	300·72	584·08	532·15
Animal Husbandry ...	85·38	88·46	107·69	121·65	133·77	230·88	295·68
Industries including Sericulture (Gross).	1781·65	1878·53	1147·42*	939·75	1080·33	1214·79	1236·50
Rural Development ...	155·37	118·98	146·77	21·54**	25·94	43·94	32·30
Co-operation ...	53·06	52·24	61·48	70·90	78·30	90·64	150·69
Public Works including Civil Works and Irrigation and Grants to Local Bodies (Gross).	1232·42	1555·89	1557·42	1814·73	1870·40	1965·35	2347·48
Medical ...	308·29	313·86	315·52	339·77	375·34	438·41	497·50
Public Health ...	155·25	201·67	451·16	301·89	296·53	348·78	505·15
Labour and Employment...	...	38·24	38·86	60·73	59·95	91·30	125·70
Misc. Social and Developmental organisations.	...	24·42	25·98	157·68	167·69	229·87	287·66
Total ...	5192·54	5908·97	5726·19	5952·13	6455·88	7709·07	8982·31

* Fall due to take over of K.G.M.U. by Government of India and formation of Mysore Iron and Steel Works into a Corporation during 1962-63.

** Due to transfer of expenditure on Social Welfare Department under Misc. Social and Developmental Organisations.

ANNEXURE G

Table showing capital outlay on works outside the Revenue Account.

(*Rs. in lakhs*)

...	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Accounts, 1963-64	Accounts, 1964-65	Revised, 1965-66	Budget, 1966-67
Irrigation Works ...	892.62	898·51	890·06	1089·20	1042·39	1011·77	710·26
Civil Works ...	871·68	993.91	794·83	725·33	693·32	676·34	671·42
Hydro-Electric Works ...	813·75	930·50	1187·82	1390·07	997·26	972·77	941·00
Industrial and other works, including Iron and Steel Works and Road Transport Schemes.	475·71	482·60	306·56	197·43	151·61	893·64	550·90
Total ...	3053·76	3305·52	3179·27	3402·03	2884·58	3554·52	2873·58

ANNEXURE H

Provision in respect of important Irrigation Works.

(*Rs. in lakhs*)

Name of the Project	Total Outlay till the end of 1964-65	Budget 1965-66	Revised 1965-66	Budget 1966-67	Variation between	
					(4) and (3)	(5) and (4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bhadra Project ...	2562·15	90·00	90·00	95·00	...	+5·00
Tunga ...	276·83	3·50	3.50	3·00	...	—0·50
Nugu ...	305·85	3·43	3·43	1·00	...	—2·43
Ambligola ...	107·13	4·82	4·82	0·50	...	—4·32
Contribution to T. B. Board ...	135·27	6·00	4·00	10·00	—2·00	+6·00
T. B. Project (Munirabad side) ...	2890.21	64·00	64·00	90·00	...	+26·00
Kabbini ...	170·56	10·00	45·00	41·90	+35·00	—3·10
Ghataprabha I and II Stages ...	1119·58	149·42	82·75	46·00	—66·67	—36·75
Harangi ...	0·48	1·00	1·00	1·00	...	...
Malaprabha ...	158·76	87·00	60·00	70·00	—27·00	+10·00
Upper Krishna ...	101·31	22·34	42·00	20·00	+19·66	—22·00
Hemavathi ...	2·36	1·00	2·00	1·26	+1·00	—0·74
Investigation of Major Projects ...	16·85	3·00	...	...	—3·00	...
Hebbahalla Project ...	40·35	14·27	3·00	1·50	—11·27	—1·50
Chickhole Project ...	65·41	13·00	13·00	2·00	...	—11·00
Lakshmanathirtha Project ...	10·64	0·10	...	0·01	—0·10	+0·01
Dharma Project ...	111·73	12·00	2·00	2·00	—10·00	...
Nagathana Tank ...	11·70	0·50	0·50	0·20	...	—0·30
C.O. ...		485·38	421·00	385·37	—64·38	—35·63

ANNEXURE H—(*Concld.*) (*Rs. in lakhs*)

Name of the Project (1)	Total Outlay till the end of 1964-65 (2)	Budget 1965-66 (3)	Revised 1965-66 (4)	Budget 1966-67 (5)	Variation between (4) and (3) (6)	Variation between (5) and (4) (7)
B.F. ...	...	485·38	421·00	385·37	—64·38	—35·63
Tungabhadra Project High Level Canal.	192·73	37·00	70·00	50·00	+33·00	—20·00
Tungabhadra Project Right Bank Distributaries ...	134.16	8·10	8·10	10·00	...	+1·90
Jambadahalla Project ...	55·83	13·00	13·00	8·00	...	—5·00
Kanaknala ...	63·94	6·25	6·15	3·00	—0·10	—3·15
Kolchi Weir Project ...	37·07	1·00	1·00	0·50	...	—0·50
Hathikoni Project ...	27·23	13·00	13·00	8·00	...	—5·00
Krishnarajasagar Works ...	117·34	10·00	13·00	13·00	+3·00	...
Special Irrigation under T.B.P., Bellary	1·99	0·50	0·50	0·60	...	+0·10
Rajolibunda Diversion Scheme ...	311·74	1·25	1·11	1·00	—0·14	—0.11
Ramanahalli Tank ...	39·22	0·01	...	0·01	—0·01	+0·01
Areshankar Tank ...	20·91	...	...	0·01	...	+0·01
Kalaskop Tank ...	17·36	0·01	...	0·01	—0·01	+0·01
Hagaribommanahalli Project ...	27·00	11·00	15·00	8.00	+4·00	—7·00
Mangala Project ...	18·63	5·00	5·00	5·00	...	...
Harinala Project ...	5·13	1·00	1·00	0·60	...	—0·40
Bijur Project ...	1·14	2·00	1·00	0·50	—1·00	—0·50
Arkavathi Project ...	...	1·00	...	...	—1·00	...
Kambadakada Project ...	...	1·00	...	...	—1·00	...
Other Projects	N.A.	70·68	114·34	74·18	+43·66	—40·16
Total ...		667·18	683·20	567·78	+16·02	—115·42

ANNEXURE I

Major Items under 'Loans and Advances'. (*Rs. in lakhs*)

Items	Accounts 1963-64	Accounts 1964-65	Budget 1965-66	Revised 1965-66	Budget 1966-67
1	2	3	4	5	6
Loans for slum clearance	2·17	2·25	7·50	6·00	0·75
Loans to Municipalities for Water Supply Schemes ...	49·02	39·70	142·00	92·00	27·50
Loans to Municipalities for Drainage Works ...	32·07	18·35	36·70	36·70	6·00
Loans to Municipalities for Other Development Schemes	1·68	0·51	2·00	1·00	1·00
Loan to Bangalore Water Supply and Sewerage Board ...	...	...	326·00	115·00	150·00
Loans to Village Panchayats and Local Boards for Water Supply and Drainage Schemes ...	3·73	6·15	5·00	5·00	5·00
Advances to Cultivators	409·74	337·15	601·15	666·23	446·60
Advances under Special Laws—State Aid to Industries	57·17	23·74	5·00	34·21	2·00
Loans under Community Development Programme ...	66·56	55·23	77·00	34·00	37·61
Loans to Land Mortgage Bank	...	40·00	40·00	40·00	40·00
Loans under Coir Industries Scheme	0·10	0·10	0·10	0·10	...
Loans under Handicraft Scheme	...	0·50	0·50	0·50	...
Loans for Cotton Handloom Industries ...	1·48	0·22	...	0·57	0·50
Loans for Woollen Handloom Industries ...	0·24	...	...	0·33	0·15
Loans for Silk Handloom Industries	0·31	0·86	...	...	0·15
Loans for Installation of Powerlooms ...	6·09	5·02	6·00	6·00	1·00
Loans for Development of Small Scale Industries ...	5·26	3·00	0·75	0·75	1·75
Loan to Hatti Gold Mines for Development of Mines ...	20·00	...	84·13	84·13	...
Loans for Subsidised Industrial Housing Scheme ...	23·84	11·65	16·00	14·50	8·50

ANNEXURE I—(*Contd.*) (*Rs. in lakhs*)

Items	Accounts 1963-64	Accounts 1964-65	Budget 1965-66	Revised 1965-66	Budget 1966-67
1	2	3	4	5	6
Advances for Trust Boards for layout of extension ...	...	9·00	9·00	9·00	9·00
Loans for Low Income Group Housing Scheme ...	61·95	26·00	47·50	54·35	17·88
Loans under Fisheries Schemes ...	...	...	...	..	4·50
Loans for Housing Schemes (L.I.C. Funds) ...	...	65·00	100·00	125·00	100·00
Advances to Contractors	10·10	2.79	3·00	24.60	10·00
Loans to Co-operative Societies including House Building Societies.	14·24	12·03	15·00	10·00	15·00
Loans to Urban Societies for construction of buildings	0·42	3·00	2·50	1·00	2·50
Loans for construction of houses for Backward Classes through the agency of building societies ...	9·62	5·28	6·00	6·00	6·00
Loans to Non-Government Colleges for construction of Buildings	...	0·50	2·00	1·00	1·00
Loans for Plantation Labour Housing Scheme ...	0·16	0·70	4.00	1·00	1·00
Loans for Soil Conservation Scheme	9·07	10·57	15·00	25·50	25·00
Loans to Primary Marketing Societies for construction of Godowns	2·22	2·67	5·97	5·97	4·39
Loan to Electricity Board for extension of power lines	145·00	105·00	50·00	50·00	...
Loan to Electricity Board for Rural Electrification ...	...	110·00	200.00	140·00	...
Loan to non-agriculturists on account of Land acquisition, etc.	0·34	1·28	7·00	3·79	3.81
Loans to Educational Institutions for the construction of Hostel Buildings. ...	...	0·50	2·00	2·00	2·00

ANNEXURE I—(*Concld.*)

(*Rs. in lakhs.*)

Items	Accounts 1963-64	Accounts 1964-65	Budget 1965-66	Revised 1965-66	Budget 1966-67
1	2	3	4	5	6
Loans for Rural Housing	5·27	11·23	10.50	10·50	5·00
Loans for Development of Area under Major Irrigation Projection	9·99	10·83	13·33	13·33	...
Loan for the Development of Dandeli Township ...	3·00	2·00	2·00	2·00	2·00
Loan Assistance to Co-operatives for Boat Building, etc.	...	5·00	9.00	11·55	...
Loans to Government Servants and I.A.S. Officers towards House Building Advances and for Purchase of Conveyances	53·32	52·90	59.67	72·49	66·79
Loan to Universities for sanction of House Building and other Advances to their staff. ...	...	...	5·00	5·00	5·00
Ayacut Development Programme under Major Irrigation	...	...	...	...	57·00
Loan to Fishermen for purchase of Boats ...	...	...	...	...	10·00
National Loan Scholarships Scheme ...	...	...	...	...	36·20
Loan for Scheduled Caste Housing ...	...	...	...	350·00	...
Advances to Trust Board Corporations & Municipalities for Land Acquisition & Development Schemes ...	...	...	...	...	15.00

ANNEXURE J

Statement of Balances under some important heads under the Major Head 'Loans and Advances by State and Union Territory Governments'.

(*Rs. in lakhs*)

Heads	Accounts 1964-65		Balance as on 1st April 1965
	Credits	Debits	
1	2	3	4
Loans to Presidency Corporations, etc.	3.72	2.25	145·14
Loans to Municipalities :—			
Loans for Water Supply	16.10	39.70	508·14
Loans for Drainage and other purposes	4.63	18.35	185·25
Loans to Municipalities for other Miscellaneous purposes ...	(—)0.11	0.51	0·62
Loans to Mercara Municipality	0.05	...	4·37
Loans of Municipalities	0.30	...	21·57
Loans to District and other Local Fund Committees:—			
Loans to District Boards	0.82	...	15·18
Loans for construction of Primary School Buildings ...	1.80	...	16·03
Loans to V.Ps and Local Boards for conducting elections ...	0.41	...	1·93
Local Funds	...	...	1·19
Advances to Village Panchayats	(—)0.01	...	2·13
Loans to Agricultural Produce Market Committee ...	(—)0.42	...	1·48
Advances to Local Bodies	1.26	...	1·25

Heads	Accounts 1964-65		Balance as on 1st April 1965
	Credits	Debits	
1	2	3	4
Advances to Cultivators :—			
Loans for Construction of Irrigation wells	28.06	130.42	709.72
Advances for purchase of Electrical Pumps	6.09	79.47	235.76
Loans to Agriculturists for purchase of Tractors	3·23	9.72	39.18
Loans under the Land Improvement Act (Coorg)... ...	0.62	0.65	4.42
Takavi Loan (New Rules)	6.84	29.33	125.48
Land Improvement Loans	4.17	16.23	57.67
Loans under the Land Improvement Loans Act and Agriculturists Loans Act (Bellary).	1.41	0.95	27.04
Loans under the Land Improvement Loans Act and Agriculturists Act (Bombay).	(−)84.62	38.63	203.29
Loans under the Agriculturists Loans Act (Coorg) ...	0.55	0.44	2.69
Famine Takavi	0.11	...	5.44
Tagai Advances	166.87	...	2·28
Loans under the Land Improvement Act (Madras) ...	2.15	1.45	...
Loans for Restoration of Tanks	0.74	2.41	6·34
Charges by P. W. Officers under T.M. Rules	0·30	0·89	18·51
New Well Subsidy Scheme	0·67	0·01	6·51
Development Takavi for Development Area under T.B. Project ...	0·14	...	26·47
Advances under Special Laws—State Aid to Industries ...	8·35	23·74	120·73
Loans under C.D.P. and N.E.S.	22·10	55·23	475·68
Loans under soil conservation	0·54	10·57	94·54

ANNEXURE J—(*Contd.*) (*Rs. in lakhs*)

Head	Accounts 1964-65		Balance as on 1st April 1965
	Credits	Debits	
1	2	3	4
Miscellaneous Loans and Advances :—			
Miscellaneous Loans ...	(—) 2·68	0·10	82·76
Loan to Gold Mining Companies (Hatti Gold Mines) ...	7·26	...	150·02
Loan to Mysore Central Rural Industrial Financing Bank for Small Scale Industries	...	26·00	...
Loans for Development of Handloom Industries	0·89	0·22	22·96
Advances to Trust Boards for L. A. and Development Schemes ...	1·25	25·00	62·11
Woollen Handloom Industry	0·26	...	17·50
Silk Handloom Industry	...	0·86	16·46
Loans to Small Scale Industries	1·77	3·00	50·43
Loan for Installation of Power Looms	0·02	5·02	74·97
Advances to Regulated Markets	3·85	3·32	30·14
Loans to Mysore Housing Board (For S.I.H. Schemes) ...	60·24	11·65	53·57
Advances to Trust Boards for Layout of Extensions ...	3·26	9·00	66·28
Loans for Low Income Group Housing Scheme	37·38	26·00	404·87
Middle Income Group Housing Scheme	10·60	30·00	153·60
Loans to Co-operative Societies including House Building Societies	7·07	12·03	77·81
Aid against Flood and Rains	3·76	6·12	56·91
Loan to Electricity Board	46·61	...	3423·78
Loan to Electricity Board for extension of power lines ...	...	105·00	105·00
Loans to Co-operative Societies	1·42	...	27·55
Special Advances to Deputy Commissioners for implementation of Mysore Village Panchayats and Local Boards Act ...	2·00	...	12·01

ANNEXURE J—(*Concld.*) (*Rs. in lakhs*)

Head	Accounts 1964-65		Balance as on 1st April 1965
	Credits	Debits	
1	2	3	4
Rural Housing	—1·26	11·23	36·31
Loans to Government Servants	41·02	52·90	'186·68
Loans to Electricity Board for Rural Electrification ...	...	110·00	110·00
Temporary advances to M.S.K. Mills for its Rehabilitation ...	...	22·00	86·50
Loans to Vellum Parachute Co. ...	...	...	152·75
Loans to Land development Bank ...	...	40·00	40·00
Loans for Low Income Group Housing (L. I. C. Funds) ...	—34·20	65·00	100·00
Loans to Mysore Iron and Steel Works Ltd. Bhadravathi ...	...	621·79	621·79
Loans for Rural Godowns ...	0·52	13·98	36·16
Loans to Whole Sale Consumers' Co-operative Stores for working capital. ...	0·23	...	23·77
Loans to individual and displaced goldsmiths for starting petty shops cottage Industries. ...	...	...	26·00
Loans to State Industrial Bank for the scheme of rehabilitation of goldsmiths. ...	...	15·00	25·00
Loans for construction of houses for backward classes through the Agency of Building Societies. ...	1·70	5·28	24·93
Loans for Rural Housing setting up Pilot Housing Projects ...	...	...	28·62
Advances to Electricity Board for purchase of Pumpsets ...	...	...	90·00
Loans to Bangalore Water Supply and Sewerage Board ...	...	100·00	100·00